

SENATE BILL No. 406

DIGEST OF INTRODUCED BILL

Citations Affected: IC 27-1-13-17; IC 27-7-12-7.

Synopsis: Residential property insurance. Specifies requirements for insurers that issue a policy of residential property insurance with respect to inquiries and complaints from insureds and property inspections and coverage.

Effective: July 1, 2009.

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January 12, 2009, read first time and referred to Committee on Insurance and Financial Institutions.

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Introduced

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

SENATE BILL No. 406

A BILL FOR AN ACT to amend the Indiana Code concerning insurance.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 27-1-13-17, AS ADDED BY P.L.173-2007,
2 SECTION 10, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2009]: Sec. 17. (a) This section applies to a policy of
4 insurance that:

5 (1) covers first party loss to property located in Indiana; and

6 (2) insures against loss or damage to:

7 (A) real property consisting of not more than four (4)
8 residential units, one (1) of which is the principal place of
9 residence of the named insured; or

10 (B) personal property in which the named insured has an
11 insurable interest and that is used within a residential dwelling
12 for personal, family, or household purposes.

13 (b) A policy of insurance described in subsection (a) may not be
14 issued, renewed, or delivered to any person in Indiana if the policy
15 limits a policyholder's right to bring an action against an insurer to a
16 period of less than two (2) years from the date of loss.

17 (c) **An insurer that issues a policy of insurance described in**

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1 subsection (a) shall respond to all inquiries received by the insurer
2 from an individual insured under the policy.

3 (d) An insurer that issues a policy of insurance described in
4 subsection (a) shall:

5 (1) inspect the property to be insured before the policy is
6 issued to determine the type and quality of materials of which
7 the property is composed; and

8 (2) ensure that the coverage provided under the policy is
9 sufficient to repair or replace any loss to the property with
10 not less than the type and quality of materials of which the
11 property is composed at the time of the inspection.

12 SECTION 2. IC 27-7-12-7 IS AMENDED TO READ AS
13 FOLLOWS [EFFECTIVE JULY 1, 2009]: Sec. 7. Termination of
14 property insurance coverage by an insurer is prohibited if the
15 termination is based on any of the following:

16 (1) Upon the race, religion, nationality, ethnic group, age, sex, or
17 marital status of the applicant or named insured.

18 (2) Solely upon the lawful occupation or profession of the
19 applicant or named insured. However, this subdivision does not
20 apply to an insurer that limits its market to one (1) lawful
21 occupation or profession or to several related lawful occupations
22 or professions.

23 (3) Upon the age or location of the residence of the applicant or
24 named insured, unless that decision is for a business purpose that
25 is not a mere pretext for a decision based on factors prohibited in
26 this chapter or any other provision of this title.

27 (4) Upon the fact that another insurer previously declined to
28 insure the applicant or terminated an existing policy in which the
29 applicant was the named insured.

30 (5) Upon the fact that the applicant or named insured previously
31 obtained insurance coverage through a residual market insurance
32 mechanism.

33 (6) Upon the fact that an insured has filed a complaint
34 concerning the insurer or the property insurance coverage
35 with the department of insurance.

36 SECTION 3. [EFFECTIVE JULY 1, 2009] (a) IC 27-1-13-17(d),
37 as amended by this act, applies to a policy of insurance described
38 in IC 27-1-13-17(a) that is issued after June 30, 2009.

39 (b) This SECTION expires July 1, 2014.

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